



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

September 4, 2014

Governor Jerry Brown
ATTN: Brian Putler, Deputy Legislative Secretary
Governor's Office, Legislative Unit
State Capitol, First Floor
Sacramento, CA 95814

RE: AB 1717 (PEREA) – PREPAID MOBILE TELEPHONY SERVICES SURCHARGE ▪ REQUEST FOR SIGNATURE ▪

Dear Governor Brown:

I am pleased to support Assembly Bill 1717, which establishes a system for collecting existing wireless communication taxes from consumers of prepaid wireless services. It is similar to last year's AB 300, about which I had concerns, but ultimately was amended, alleviating concerns that it would subject wireless consumers to unwarranted taxation at the state or local level.

AB 1717 addresses current discriminatory tax treatment under the law, whereby wireless taxes are being paid by one set of taxpayers—customers who pay for wireless services via a monthly bill—but are not collected from another set of taxpayers—customers who instead pay for their wireless services through the purchase of a prepaid card. Since all taxpayers use emergency telephone services, all taxpayers should share in the cost of the service.

Finally, AB 1717 maximizes existing state resources by building upon the current process of collection and administration established by the Board of Equalization to collect state and local sales tax from retailers. Appropriately, the BOE has administrative jurisdiction over all taxes collected at point of sale by retailers.

For these reasons, I respectfully request your signature on AB 1717.

Sincerely,

GEORGE RUNNER
Second District